



U.S. TRADE IN PERSPECTIVE

U.S. Department of Commerce, International Trade Administration, Trade Development October 2001



U.S. Trade Deficit Shrinks in August; Exports Rise as Imports Decline

Recent Developments: *U.S. exports of goods and services rose \$0.9 billion to \$84.5 billion in August 2001 and imports fell \$1.2 billion to \$111.6 billion. The trade deficit was \$27.1 billion, \$2.1 billion less than July's revised data.*

Trade Performance: Year-to-date, exports were down 1.0 percent, while imports were down 0.8 percent. The goods and services deficit was \$360.2 billion (annual rate), compared with a deficit of \$361.4 billion in the same period in 2000.

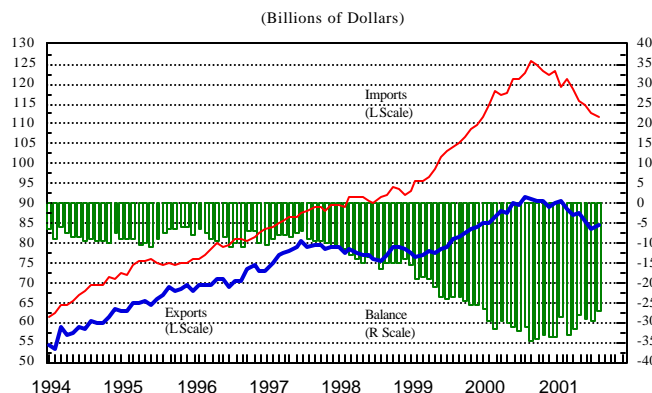
In August, U.S. exports of goods increased \$0.8 billion to \$59.5 billion.

The July to August change reflected increases in exports of automotive vehicles, parts, and engines and some raw materials. But there were continuing declines in high tech categories, such as computers, telecom equipment and semi-conductors. Merchandise imports declined \$1.2 billion to \$93.3 billion, reflecting decreases in industrial supplies, particular natural gas.

Decreases also occurred in capital goods, such as civilian aircraft,

computers, and computer accessories and in consumer goods, such as pharmaceutical preparations. The trade surplus in services was \$6.7 billion in August, up marginally from July.

U.S. INTERNATIONAL TRADE



In the second quarter of 2001, the U.S. trade deficit was 3.5 percent of the gross domestic product (GDP). Last year, the trade deficit was 3.8 percent of GDP, and in 1999, it was 2.8 percent.

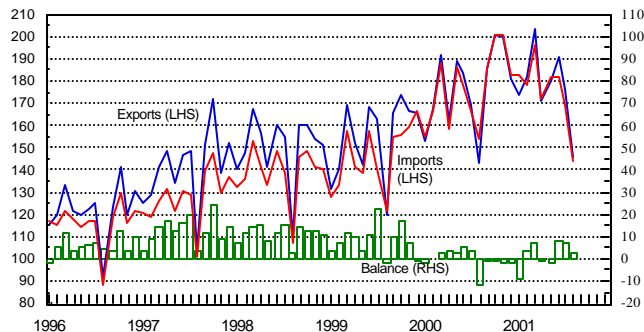
August Highlights:

- August exports to China (\$1.9 billion) were a record.
- The August deficit with China (\$8.1 billion) and imports from China (\$10.0 billion) were both the highest since October 2000 deficit (\$9.1 billion) and imports (\$10.6 billion).
- August exports to Germany (\$2.4 billion) were the lowest since July 2000 (\$2.2 billion).
- August imports from the United Kingdom (\$3.1 billion) were the lowest since January 2000 (\$3.0 billion).
- August imports of advanced technology products (\$15.2 billion) were the lowest since January 2000 (\$14.7 billion).

France's economy is slowing--Unemployment has risen in France during the past several months as its economy slows. The Economic Sentiment Index indicates that both business and consumer confidence fell to a four and one-half year low in September 2001.

INTERNATIONAL TRADE

(Merchandise, Billions of Francs)

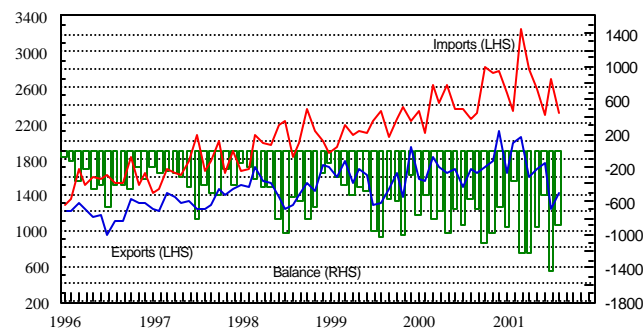


France's Trade with the World -reached 2.8 trillion French francs during the first eight months of 2001, a 4.2 percent increase over the same period in 2000. During this period, France's exports totaled 1.43 trillion francs, an increase of 4.7 percent, and imports were 1.41 trillion francs, an increase of 3.8 percent. As a result, France had a trade surplus of 27.3 billion francs (annual rate) in 2001. This compares to trade surplus of 8.0 billion francs in 2000.

U.S.-France Bilateral Trade -reached US\$34.2 billion during the first eight months of 2001, a 6.1 percent increase over the same period a year ago. During this period, U.S. exports to France totaled US\$13.4 billion, an increase of 1.7 percent over the same period a year ago, and U.S. imports were US\$20.8 billion, an increase of 9.1 percent. The United States had a trade deficit of US\$11.2 billion (annual rate). This compares to a US\$9.0 billion deficit a year earlier.

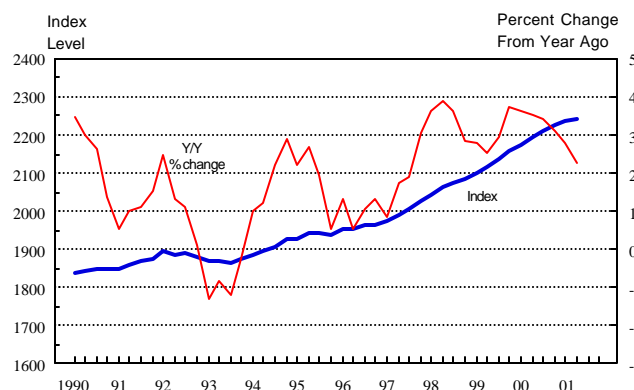
U.S. TRADE WITH FRANCE

(Millions of Dollars)



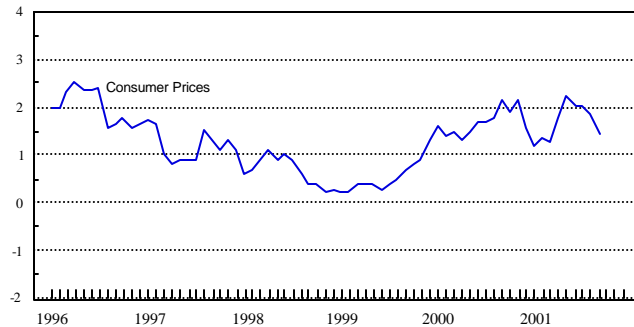
Developments in Economic Growth -France's real gross domestic product in the second quarter 2001 was 2.3 percent above a year ago. However, this is the weakest growth rate in over three and one-half years.

REAL GROSS DOMESTIC PRODUCT



INFLATION RATES

(Percent Change from Year Ago)

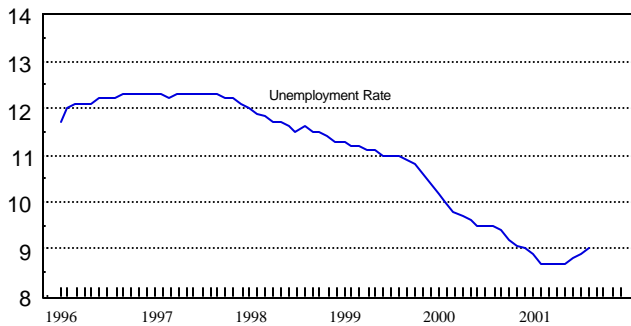


Developments in Inflation -

Consumer price inflation fell to 1.5 percent in September 2001 from 2.2 percent a year earlier. Prices at wholesale were up 0.7 percent in August 2001 compared to 6.0 percent in mid-year 2000.

LABOR MARKETS

(Percent)



Developments in Labor Markets -

In August 2001, the rate of unemployment in France rose to 9.0 percent, the third consecutive monthly increase this year. Until recently, the unemployment rate had declined for nearly three years.

Developments in Financial

Markets - Short-term interest rates in France have been falling at a steady pace. Money market rates at 5.0 percent in November 2000, dropped to 3.6 percent in October 2001. In the meantime, the stock market, the Paris CAC 40 Index, continues to move lower, falling 31.4 percent in the past year.

PARIS CAC 40 STOCK INDEX

